

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 7.

What is the Residential Enterprise Zone program and does the HWEA make any financial contributions to that program?

- b. If yes, are these contributions included in the calculation of the rate for CCWD?

RESPONSE:

The REZ does not affect the CCWD and was not a part of the B&V Report.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 7.

What is the Residential Enterprise Zone program and does the HWEA make any financial contributions to that program?

c. If yes, how are these contributions related to service to CCWD?

RESPONSE:

Please see HWEA's Response to CCWD Data Request No. 7b.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 8.

Does the HWEA have a system development fee or a comparable type of fee that is imposed on its customers? If yes, is any of that fee included in the rate calculation for CCWD?

RESPONSE:

HWEA does not have a System Development Charge or comparable type of fee.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 9.

What is the current capacity of HWEA's raw line?

- a. What will be the capacity of the proposed raw water line?

RESPONSE:

HWEA has three existing raw water mains. The raw water main from the river has a capacity of about 8 MGD. The raw water main from the North Quarry has a capacity of about 10 MGD. The raw water main from the South Quarry has a capacity of about 2 MGD. The capacity of the proposed Lake Barkley raw water main will be 20 MGD.

Item 9. a.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 9.

What is the current capacity of HWEA's raw line?

b. When will it be completed?

RESPONSE:

The raw water line is scheduled for bidding in late 2005 and will be completed in 18 to 24 months.

Item 9. b.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 9.

What is the current capacity of HWEA's raw line?

c. Will there be any expansion of the existing treatment facilities or their capacities as a result of the new raw water line? If yes, describe.

RESPONSE:

At this time, the Moss WTP is operating at 70 to 80% of capacity. The construction of the Lake Barkley raw water supply system will not necessarily require an expansion of the Moss WTP.

Case No.: 2005-00174
Questions From: Christian County Water District -- September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 9.

What is the current capacity of HWEA's raw line?

d. Is the city currently capable of providing CCWD its contract water supply?

RESPONSE:

HWEA is capable of providing CCWD with its contract water supply.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 10.

When will the bonds for the raw water line be issued?

RESPONSE:

The Bonds for the Lake Barkley raw water line were issued on May 17, 2005.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Lennis Franklin Hale

DATA REQUEST NO. 11.

Is the existing raw water line being replaced or is an additional line being installed?

RESPONSE:

There is no existing raw water line to Lake Barkley. This will be a new raw water line.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Jennings Rowe McKinley II

DATA REQUEST NO. 12.

Refer to the Black & Veatch study, page 2. Explain how the rate for wholesale customers was developed “in accord with allocated costs of service.”

RESPONSE:

The B&V Report follows the generally accepted rate making principles set forth in the Manual M1, *Principles of Water Rates, Fees, and Charges* which is published by the American Water Works Association (“AWWA”). The cost of service and resulting rates for both retail and wholesale customers follow the principles set forth in Manual M1. Cost of service allocations and rate design for the wholesale customer, the CCWD, further take into consideration the water service contract between HWEA and CCWD.

Case No.: 2005-00174
Questions From: Christian County Water District -- September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Jennings Rowe McKinley II

DATA REQUEST NO. 13.

Refer to the Black & Veatch study, page 2. Explain what “local policy considerations” were used in developing the rate for CCWD and how those considerations were factored into the development of the rate.

RESPONSE:

The rates applicable to CCWD, as developed and proposed in the B&V Report, take into consideration the terms of the contract between HWEA and CCWD. This is not specifically a “local policy decision,” however, it is a “local” contractual document that has a bearing on the cost of service considerations made in the study. The term “local policy considerations,” as used in the context of page 2 of the B&V Report, was meant to apply to the rate adjustments applicable to retail customers – specifically the continued development of separate retail rates for the Hopkinsville, Pembroke, and Crofton retail divisions.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Jennings Rowe McKinley II

DATA REQUEST NO. 14.

Refer to the Black & Veatch study, page 3. Paragraph 3 states that the test year is 2006.

The financial information provided seems to be for 2003-2004. What is the test year and what financial information was used to develop the proposed rates?

RESPONSE:

The test year is FY 2006. Please see HWEA's Response to Commission Information Request No. 3a for the financial information used to develop the proposed rates.

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Jennings Rowe McKinley II

DATA REQUEST NO. 15.

Refer to the Black & Veatch study, page 3. Paragraph 3 states retail rates have been developed based on a detailed cost of service study and rates for CCWD have been developed.

Explain how the rates for CCWD were developed if not by a detailed cost of service.

RESPONSE:

Both the retail and wholesale rates were developed based on the detailed cost of service study set forth in the B&V Report.